

Message Text

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ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AGR-20 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03

PA-03 PRS-01 USIA-15 CIAE-00 COME-00 FRB-02 INR-10

NSAE-00 LAB-06 SIL-01 TAR-02 RSR-01 /176 W

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5549

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS UNN

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PASS AGRICULTURE

E.O. 11652: NA

TAGS: ETRD, OCON, EEC

SUBJECT: JULY 16-17 EC COUNCIL OF MINISTERS (AGRICULTURAL)
MEETING

REF: (A) EC BRUSSELS 4042; (B) EC BRUSSELS 4030;
(C) EC BRUSSELS 5032 OF 12/20/72; (D) EC BRUSSELS 3633.

1. SUMMARY. THE EC COUNCIL OF AGRICULTURAL MINISTERS FINISHED
A TWO-DAY MEETING AT 9 P.M. ON JULY 17. MOST OF THE SECOND
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DAY'S MEETING WAS HELD IN RESTRICTED SESSION AND CONCERNED

PRIMARILY THE PROTEIN SUPPLY SITUATION IN THE COMMUNITY AND LARDINOIS' TRIP TO WASHINGTON (REF A). THE COUNCIL FORMALLY ADOPTED A REGULATION PROVIDING FOR THE IMPOSITION OF EXPORT TAXES, OR THE SUSPENSION OF EXPORTS, FOR GRAINS WHEN THE WORLD MARKET PRICE EXCEEDS THE THRESHOLD PRICE. THE COUNCIL ALSO ADOPTED A REGULATION PROVIDING FOR THE RE-IMPOSITION OF CUSTOMS DUTIES AND IMPORT LEVIES FOR BEEF WHEN THE AVERAGE EC MARKET PRICE FOR CATTLE FALLS BELOW 103 PERCENT OF THE ORIENTATION PRICE. THE 1973/74 GRAIN THRESHOLD PRICES WERE ESTABLISHED AT THE SAME LEVELS AS PROPOSED BY THE COMMISSION. THE PROPOSED CAP FOR ALCOHOL WAS NOT DISCUSSED. END SUMMARY.

2. MOST OF THE COUNCIL'S MEETING ON JULY 17 (SEE REF B FOR A REPORT OF THE JULY 16 SESSION) CONCERNED THE PROTEIN SUPPLY SITUATION AND LARDINOIS' TRIP TO WASHINGTON ON THIS MATTER. THE RESULTS OF THE COUNCIL'S DISCUSSION ON THESE TOPICS HAVE BEEN REPORTED IN REF A.

3. THE COUNCIL FORMALLY ADOPTED A REGULATION PROVIDING FOR THE IMPOSITION OF EXPORT TAXES, OR THE SUSPENSION OF EXPORTS, FOR GRAINS WHEN THE WORLD MARKET PRICE EXCEEDS THE THRESHOLD PRICE BY AT LEAST TWO PERCENT. FURTHER DETAILS ON THIS REGULATION WILL BE REPORTED BY AIRGRAM.

4. THE COUNCIL ALSO ADOPTED A REGULATION PROVIDING FOR THE RE-IMPOSITION OF THE FULL CUSTOMS DUTIES, IMPORT LEVIES, AND COMPENSATORY AMOUNTS FOR CATTLE, CALVES, BEEF AND VEAL WHEN THE AVERAGE EC MARKET PRICE FOR CATTLE DROPS BELOW 103 PERCENT OF THE ORIENTATION PRICE. (IN RECENT WEEKS THE AVERAGE EC MARKET PRICE FOR CATTLE HAS BEEN DROPPING AND IS NOW ABOUT 104 PERCENT OF THE ORIENTATION PRICE.) FOR OVERSEAS SUPPLIERS, A 30-DAY GRACE PERIOD WILL BE OBSERVED BEFORE DUTIES, ETC., ARE RE-IMPOSED.

5. WE UNDERSTAND THAT THE COUNCIL, ON JULY 17, DID NOT FURTHER DISCUSS THE COMMISSION'S MEMORANDUM ON THE FUTURE SUGAR POLICY OF THE EC WHICH WE ARE REPORTING SEPARATELY. AFTER THE MEETING, IN RESPONSE TO PRESS INQUIRIES, LARDINOIS EXPRESSED DISPLEASURE OVER CHIRAC'S COMMENTS ON THE COMMISSION MEMORANDUM (SEE REF B). LARDINOIS SAID THAT CHIRAC DID NOT SIMPLY MISUNDERSTAND BUT LIMITED OFFICIAL USE

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RATHER "WILLFULLY MISUNDERSTOOD" WHAT THE COMMISSION WAS PROPOSING. PERM REP SOURCES INDICATED THAT THE MINISTERS WERE SHOCKED OVER CHIRAC'S COMMZNTS ABOUT COMMISSIONER CHEYSSON.

THE COUNCIL DOD NOT DISCUSS THE PROPOSED CAP FOR ALCOHOL ON WHICH THERE REMAIN MAJOR DIVERGENCES AMONG THE NINE. IN GENERAL, THE MEMBER STATES DID NOT SEEM CONCERNED THAT THE AUGUST 1 DEADLINE FOR AN ALCOHOL CAP, SET BY THE COUNCIL ON

DECEMBER 18, 1972 (REF C), WAS NOT MET.

7. THE 1973/74 THRESHOLD PRICES FOR GRAINS WERE ESTABLISHED BY THE COUNCIL AT THE SAME LEVELS AS PROPOSED BY THE COMMISSION (REF D). THE THRESHOLD PRICES FOR ROUND GRAIN BROWN RICE AND BROKEN RICE WERE FIXED AT 209 U.A. AND 130.85 U.A. PER METRIC TON, RESPECTIVELY.
GREENWALD

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